

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM MARCH 23, 2011
OPEN SESSION

MINUTES OF MARCH 23, 2011 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN JIMMY FIELD, VICE CHAIR CLYDE HOLLOWAY AND COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE AND ERIC SKRMETTA. ALSO PRESENT WAS EVE KAHAO GONZALEZ.

Open Session of March 23, 2011, convening at 9:10 A.M. and adjourning at 11:50 A.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1 Announcements

Commissioner Skrmetta asked Entergy to review recent complaints he has received regarding the proximity of lines to homes in Grand Isle, Louisiana and report their findings to his office.

Commissioner Skrmetta directed Staff to review a proposal from NTE Energy regarding renewable energy by adding hybrid biomass technology to the pilot RFP.

Commissioner Skrmetta directed Staff to look into ordering a State map of broadband services.

Commissioner Skrmetta directed Staff to review and submit a plan to increase the Amite South Load Pocket with three options for improvement in reliability.

Commissioner Field directed Staff to open a docket to determine whether our existing laws and regulations, as well as the existing business policies of LPSC-jurisdictional electric utilities, adequately address the privacy challenges pertaining to data collected as part of Smart Grid operations, including data pertaining to energy consumption, billing and third-party applications.

Commissioner Field directed all regulated companies to report by May on any pilot programs/current efforts to switch fleet vehicles to run on natural gas. Commissioner Holloway directed Staff to research and report on the cost of converting an 18-wheeler from traditional gas source to natural gas.

Commissioner Campbell asked Mark Kleehammer of Entergy Gulf States, Inc. and Entergy Louisiana, LLC to call him to discuss the cost and uses of the two new jets Entergy recently purchased.

Ex. 2 **U-30192 Phase III** - Entergy Louisiana, LLC, ex parte. In re: Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

In re: Discussion and possible vote to hire a financial advisor to assist Staff in this matter.

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain the consulting firm of Sisung Securities Corporation for professional fees of \$165,000 plus expenses not to exceed \$8,000 for a total budget of \$173,000 to assist Staff in this matter.

Ex. 3 **U-30192 Phase III** - Entergy Louisiana, LLC, ex parte. In re: Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

In re: Discussion and possible vote to hire bond counsel to assist Staff in this matter.

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain Crawford Lewis, P.L.L.C. for professional fees of \$108,000 plus expenses not to exceed \$21,600 for a total budget of \$129,600 to assist Staff in this matter.

Ex. 4 **U-31425** - Brier Lake Utilities, Inc., ex parte. In re: Application for rate increase for water and sewer.

In re: Discussion and Possible Vote on Proposed Uncontested Stipulated Settlement.

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Joint Stipulation executed by Staff and by Brier Lake Utilities, Inc.

Ex. 5 **U-23327 Subdocket C** - Southwestern Electric Power Company, ex parte. In re: Southwestern Electric Power Company's 2007 FRP filing pursuant to Order U-23327 Subdocket A-A.

In re: Discussion and possible vote on Stipulated Settlement.

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Settlement.

Ex. 6 **U-23327 Subdocket D** - Southwestern Electric Power Company, ex parte. In re: Annual Report of Southwestern Electric Power Company Pursuant to U-23327-A.

In re: Discussion and possible vote on Stipulated Settlement.

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Settlement.

Ex. 7 **U-31835** - South Louisiana Electric Cooperative Association (SLECA), ex parte. In re: Application for approval of a formula rate plan (FRP) and initial revenue adjustment.

In re: Request of Commission Staff to issue Request for Proposals for outside consultant to assist Staff.

On motion of Commissioner Field, seconded by Commissioner Holloway, with Commissioners Boissiere and Skrmetta concurring and Commissioner Campbell temporarily absent, the Commission voted to authorize the issuance of a Request for Proposals for outside consultants to assist Staff in this matter.

Commissioner Field directed Staff to research whether Staff can initiate an RFP on their own or if they have to come to the Commission before issuing.

Ex. 8 Entergy Louisiana, LLC.

In re: Request of Commission Staff to issue Request for Proposals for outside consultant to assist Staff with the upcoming proceeding regarding Entergy Louisiana, LLC's option to purchase an interest in the Independence Steam Electric Station Unit 2 ("ISES 2").

On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to authorize Staff to issue a Request for Proposals for outside consultants to assist Staff with the ELL filing anticipated in April 2011 regarding the ISES 2 purchase option.

Ex. 9 FERC Docket Nos. EL00-66-012 and EL95-33-009 - *Louisiana Public Service Comm'n v. Entergy Corp., et al.*

In re: Consideration of approval of proposed settlement concerning refunds and surcharges due for removal of interruptible loads from certain cost allocation formulas in Entergy System Agreement.

Special counsel Mike Fonham reported on a tentative settlement at the FERC to resolve the

amount of the refund due to Entergy Louisiana, LLC for the "refund effective period" related to the Commission's interruptible load complaint at the FERC. The settlement calls for ELL to receive a total of approximately \$19.2 million for that period, which has and will be paid by other Entergy companies. The exact amount payable by Entergy Gulf States Louisiana LLC has not been finalized, but will be approximately \$3.6 million. After discussion, on motion by Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to approve the proposed settlement and authorize counsel to negotiate and report on the wording and details of the settlement.

Ex. 10 **U-29764** - Louisiana Public Service Commission, ex parte. In re: Entergy Louisiana, LLC and Entergy Gulf States, Inc., retail proceeding to estimate and implement in retail rates in 2007 the rough equalization impact of FERC Opinions No. 480 and 480-A, FERC Docket EL 01-88-000, LPSC vs. Entergy Corp.

In re: Consideration of adoption of Resolution urging prompt FERC action on remand from the court of appeals of the FERC's decision to delay remedy from June 1, 2005 to June 1, 2007 for unjust and unreasonable cost allocations.

Special counsel Mike Fontham, on behalf of the Staff, reported on the status of the court remand to the FERC regarding the delay from 2005 to 2007 in granting relief for the "rough equalization" remedy for the Entergy System adopted by the FERC in 2005. The delay issue has been pending before the FERC since 2008, after the court remand. After discussion, on motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt a resolution expressing gratitude for the FERC's prompt response concerning a prior resolution that sought a prompt decision, and requesting the FERC to act promptly on the delay-of-remedy issue.

Ex. 11 1) Reports
2) Resolutions
3) Discussions

Commissioner Campbell reported that a federal judge in Shreveport ruled that the LPSC has the jurisdiction and authority to approve or disapprove the closing of railroad crossings.

Commissioner Campbell asked Executive Counsel Dennis Weber to have Mr. Blackmon present at the next Commission meeting.

Ex. 12 **T-31837** - Louisiana Public Service Commission vs, R. W. Delaney Construction Company (Natchez, Mississippi). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating Intrastate without LPSC authority on two counts; allegedly occurring on or about December 9, 2009.

In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.

At the request of Commissioner Field.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction pursuant to Rule 57.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the agreement between Staff and the Carrier, wherein the Carrier agreed to plead guilty, and agreed to pay a fine of \$2,000.00, per count, with \$1,000.00, per count of the fine being suspended, conditioned on not committing any additional violations within 12 months of the date of the Order and further agreed to pay a citation fee of \$25.00, the unsuspended portion of the fine and the citation fee, for a total of \$2,025.00, to be paid within 15 days of the issuance of the Order herein, with the Carrier further being ordered to apply for waste authority within the 12 month probationary period.

- Ex. 13 **S-31841** - Entergy Gulf States Louisiana, LLC, ex parte. In re: Application of Approval to Purchase Electric Power from the Dow Plaquemine Facility, and for Cost Recovery.
- In re: Discussion and possible vote to hire outside consultant to assist Staff.**
- At the request of Commissioner Field.**
- On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to retain the consulting firm of Exeter Associates, Inc. for consulting fees of \$9,500 plus expenses not to exceed \$1,000 for a total budget of \$10,500 to assist Staff in this matter.
- Ex. 14 **S-31841** - Entergy Gulf States Louisiana, LLC, ex parte. In re: Application of Approval to Purchase Electric Power from the Dow Plaquemine Facility, and for Cost Recovery.
- In re: Discussion and possible vote on uncontested proposed deferral order pursuant to Rule 57.**
- At the request of Commissioner Field.**
- On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction pursuant to Rule 57.
- On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Company's request for deferral order.
- Ex. 15 Southwestern Electric Power Company (SWEPCO) Upcoming Request for Proposal for Renewable Generation Resources
- In re: Discussion and possible vote on SWEPCO's Request for Waiver of MBM Order Draft RFP Requirement.**
- At the request of Commissioner Holloway.**
- On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Company's request for a waiver of the requirement for the issuance of a public draft or "informational" RFP, with the condition that there be a bidders conference as opposed to simply a web conference.
- Ex. 16 Discussion and possible vote to approve letter/Resolution to the FCC regarding cell phone chargers.
- At the request of Commissioner Campbell.**
- On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt the Resolution as read into the record.
- Ex. 17 Discussion of potential LPSC investigation of inmate telephone systems.
- At the request of Commissioners Campbell and Field.**
- The Commission directed Staff to open a docket to review inmate telephone systems, including but not limited to: all pertinent LPSC regulations, rates charged to customers, any and all add-on fees and charges to customers, commissions paid to correctional facilities, and technological issues affecting the industry.

Ex. 18 Report by Entergy regarding nuclear operations.

At the request of Commissioner Field.

Joe Kowalewski, VP of Operations at Waterford 3, and Jerry Roberts, Director of Nuclear Safety Assurance at Riverbend gave a report to the Commission on the safety measures in place at these nuclear plants and their ability to withstand natural disasters.

MEETING ADJOURNED

The next Business and Executive Session will be held April 20, 2011 at 9:00 a.m. in Baton Rouge, Louisiana.